

Children's Income Disbursement System (KIDS)

In the event a child is placed in alternative care has an independent source of income (i.e., Social Security, SSI, VA, Railroad benefits, contributions from birth family, lump sum payments, inheritance, [excludes the child's personal income] etc.) these funds must be applied toward the care of the child prior to authorizing payment from State or Federal funds. All income received by a child in the custody of the Children's Division (CD) must be processed through the Children's Services Income Disbursement System (KIDS). The checks shall be received by the Division of Budget and Finance (DBF) for deposit and disbursement in the KIDS account.

NOTE: Any child receiving Job Training Partnership Act (JTPA) funds or similar grants including a grant for tuition and books, and weekly need-based payments, does not have to deposit the unearned income in the KIDS account.

The intent of the KIDS account is to centralize all of a child's outside income in order to increase agency efficiency and accountability in the receipt and disbursement of such funds. In addition, it decreases the accounting responsibilities at the county office level. The KIDS account is monitored by Program Development Systems Unit (PDSU). The system provides the county office with all needed information regarding the status of a child's KIDS account.

NOTE: A child who is still in CD custody and receiving support through OASDI must be made the payee when age eighteen (18) is reached, unless found incompetent by the Circuit Court.

NOTE: WHEN A CHILD BECOMES 16, THE COUNTY WILL ACCUMULATE UP TO \$999.00 IN THE KIDS ACCOUNT TO ASSIST THE CHILD WHEN RELEASED FROM CD CUSTODY. THESE FUNDS WILL NOT BE USED TO PAY FOR EXPENSES WHICH PREVIOUSLY HAD BEEN PAID FROM THE KIDS ACCOUNT. FOR THE TITLE IV-E ELIGIBLE/REIMBURSABLE CHILD, THE ACCUMULATED AMOUNT MUST NEVER EXCEED \$10,000.00 IN ORDER TO REMAIN REIMBURSABLE FOR TITLE IV-E.

Setting Up A KIDS Account

1. An account is automatically set up upon entry of the first CS-KIDS-1 by DBF. If income is received in the county office, the CS-KIDS-1 is completed by the County Office. One (1) copy is retained in the County Office business file and the other four (4) copies (with the income attached) are sent to DBF at Post Office Box 3536, Jefferson City, Missouri 65103. This address is to be used for all entries into the KIDS account. The Division of Budget and Finance returns the canary copy of the CS-KIDS-1 to the sending County Office as verification that the CS-KIDS-1 was deposited into KIDS.

2. The CD Director shall be designated as payee for any independent source of benefits for children in the care and custody of CD. This is accomplished by the Eligibility Specialist completing all necessary forms. For example, the Eligibility Specialist completes all necessary forms as required by SSA, SSI, or VA and designates the CD Director as the designated payee. The Designee shall sign the application and add "for the Director of the Children's Division."
3. Each County Director shall designate himself/herself or another employee with the responsibility for the completion of Form CS-KIDS-1 in the event money is received in the county office that should be entered into the KIDS account. (See the Children's Division Forms Manual.)

Maintaining and Utilizing the KIDS Account

1. The system will automatically debit the KIDS account for maintenance payments and other expenses.

NOTE: PDSU processes fund recoupments on active KIDS accounts for children who exceed or are close to exceeding their resource limit for SSI, Title IV-E, or Title XIX-FFP programs. PDSU processes fund recoupments in order to reduce the children's balances in the accounts so they remain eligible for these programs. The fund recoupment process takes money from the child's account and refunds it to the state for services paid from CD program funds. Fund recoupments are processed for payments made from Alternative Care (AC), Residential Treatment (RT), Children's Treatment (CT), and Day Care (DC).

2. Once the child's KIDS account has been established, the payer(s) (SSA, VA, etc.) shall be instructed to send the income directly to DBF who will enter the funds into the KIDS account via the CS-KIDS-1. However, in the event the county office receives outside income for a child's KIDS account, it shall be sent to DBF. The county office handling of outside income for a child's KIDS account must be a three (3) person operation to retain system integrity and provide for valid checks and balances. The instructions below employ the following definitions, although it is understood that individuals performing the various functions may vary depending on assignments in county offices:

Mail Clerk: The clerical or other staff person designated to open the mail.

Bookkeeper: The employee designated to keep county account books should assure outside income received is entered on the CS-KIDS-1 and forwarded to DBF after approval by the County Director/Designee.

County Director: The County Director is ultimately responsible for the receipt and deposit of any income received which is to be placed into the KIDS account. The County Director may designate another employee to perform

the functions of the County Director in these procedures as long as that employee is not one listed above.

Cash Receipts: Any income received by the county office, must be registered on the CS-KIDS-1 and sent to DBF for deposit into the KIDS account. The following should be on a daily basis as necessary:

- a. The "mail clerk" stamps "for deposit only" on all checks or money orders received;
 - b. The cash receipts are given to the "bookkeeper" who prepares the CS-KIDS-1;
 - c. The CS-KIDS-1 is given to the County Director/Designee for review and approval;
 - d. The County Director/Designee compares the CS-KIDS-1 with the money to be sent to DBF to be deposited in the KIDS account;
 - e. The County Director/Designee signs the CS-KIDS-1 indicating that all documents agree. He/She then files the county office copy in the business file and submits the other four (4) copies of the CS-KIDS-1 to DBF. (See the Children's Division Forms Manual for further instructions on the CS-KIDS-1.)
3. The Children's Service Worker (CSW) completes the CS-65 to request payment for additional expenses not covered by maintenance payments. **Back state debt always takes priority over additional expenditures for the child. The CSW should always contact PDSU prior to requesting additional expenditures.** If KIDS funds are available, they will be used. If KIDS funds are not available, alternative care funds will be used. Form CS-65 does not need to include the amount to be paid from the KIDS Account. This will be determined by CSIPS.
 4. Payment for special expenses will be made to the provider on one of the CSIPS payrolls using current CS-65 invoicing procedures.
 5. If the child has a source of income, but for any reason the income is not received during a given month, and there are insufficient funds in the KIDS account, payment for that month will be made from alternative care funds by the type of funding source for which the child is eligible (HDN or IV-E). When the income for that month is actually received, it will be deposited in the child's KIDS account and used to pay maintenance/special expenses for subsequent months. When a child leaves alternative care, these funds may be used to pay expenses which should have been paid from the KIDS account, but were paid by CD.

6. A copy of the CS-KIDS-1 shall be maintained in the business record and a copy of the CS-KIDS-2 shall be maintained in the business and child's record for five (5) years.

Terminating an Individual Child's KIDS Account

1. When a child leaves Alternative Care, the CSW shall contact PDSU for the determination of prior expenses which should be paid from the KIDS account. PDSU will determine prior expenses for five (5) years prior to the date the child left alternative care (see Section 516.120 RSMo). PDSU will process prior expenses to be paid from the KIDS account through fund recoupments for payments made in behalf of the child from:
 - Alternative Care (AC);
 - Residential Treatment (RT);
 - Children's Treatment (CT); and
 - Day Care (DC).

NOTE: If a child age 16 or over has a savings (as described on page 1 of this attachment) it will not be used to reimburse the state for back state debt.

2. If the child is age 16 or over, staff will be advised of the amount of the child's savings. At that time, staff should complete a CS-KIDS-2 for the person (payee) to whom money is to be released from the child's KIDS account. This person(s) may be the child's parent, guardian, adoptive parent or him/herself, if an emancipated minor. The following steps should be taken regarding the transfer of the savings (CD shall follow the instructions of the Juvenile Court when they differ from these instructions):

NOTE: If there is a KIDS account for which a payee cannot be identified, contact PDSU.

- a. Transfer the savings to the child age 16 or over. Staff should always contact PDSU prior to completing the CS-KIDS-2.
- b. SSI and OASDI: County Office staff shall advise a potential "representative payee" or emancipated minor to apply for SSI or OASDI at the local Social Security Office.

NOTE: Any SSI checks deposited in a KIDS account after a child leaves alternative care must be returned to the Social Security Administration (SSA). PDSU will be responsible for returning these checks to SSA. Therefore, staff shall not enter a CS-KIDS-2 to disburse SSI income to a payee, when that income was deposited after the child left alternative care.

- c. VA: County office staff shall advise a potential payee or emancipated minor to apply with the appropriate VA office. It should be noted that VA benefits cease after a child's adoption is finalized.
 - d. If there are serious concerns regarding the disbursement of funds when a child age 16 or over leaves CD custody, contact the Juvenile Court to request direction. This should only occur when staff think returning these funds may not be in the best interest of the child or when the Court has previously requested involvement in the disposition of the child's funds. PDSU should be contacted prior to contacting the Juvenile Court.
3. Child Support payments will continue to be deposited automatically into the KIDS account, after the child leaves alternative care, until the parental obligation is met. PDSU will process child support deposits into closed KIDS accounts on an ongoing basis. This income will be credited toward prior state expenses. Staff shall not take any action to disburse Child Support money received after the child leaves Alternative Care.

ESCHEAT FUND

After release of a child age 16 or over from CD custody, and if after a diligent search the CSW cannot locate or identify a person to whom funds should be released, the CSW shall contact PDSU to request the funds remain in the KIDS account. Funds left in a child's KIDS account will remain for up to five (5) years when CD cannot identify or locate the person to whom to release the funds. At the end of five (5) years, the funds, if not claimed, will be released to General Revenue.

MEMORANDA HISTORY: